

## Leisure club customers feel the pinch in their pockets as well as their waistlines



**Fit for now... fit for the future. Just what or who are leisure clubs competing against? It is no longer just down to price or the choice of one leisure brand over another. Research proves that the consumer is also looking for 'the experience'.**

**And the competition is not just restricted to the super size clubs of 2,000 members. You can now add to the mix the growth in the 'affordable luxury' day and residential spa sector, investment and branding in public sector leisure clubs, and the growth in 'high end' hobbies such as cycling and outdoor activities.**

There has also been significant growth in the 'leisure learning' sector, where the consumer wants to combine their leisure experience while learning or trying a new skill such as residential cookery, photography and music courses.

These are just some of choices and alternatives on which consumers can spend their leisure dollars, euros or pounds. Something's got to give. If consumers have to cut back on spending, what will they choose to protect? What will they drop?

First, understand the true picture and tap into it. The need for the combination of leisure, exercise and relaxation is still there, perhaps even more so in tough economic times. Spending may well be transferred from one leisure activity to another. Rather than eating out several times a month, consumers may cut back on meals out to protect their 'me time' in their leisure club. Look at the profile, age group and spending profile of your membership base. The 50-plus sector, for example, may be more resilient to economic down-turns.

One of the biggest changes in consumer spending is the amount they are prepared to commit to their 'media expenditure', be it their mobile phones, internet or TV channel subscriptions. The consumers' need for 'connectivity' to these media sources, indeed their dependency on such products and services, is a large part of their disposable income. The reality is that they will choose to protect their media expenditure, perhaps at the expense of leisure expenditure.

### Five key recommendations for staying fit in the leisure club sector

1. Innovate and invest wisely in marketing initiatives – leverage all the services and products you have to offer, package and promote them well. Open your mind and distribution channels. There are plenty of retailers out there looking for joint marketing opportunities.
2. Ensure your service delivery is top notch, especially in the 'flash points' such as changing rooms and operating equipment. Tired stressed consumers faced with inconsistent service delivery will seriously consider moving their membership. 'Retention, retention, retention' needs to be top of the team's priorities.
3. Invest time in training, coaching and encouraging your team to focus on delivering consistent and friendly service. Big smiles, eye contact and a few friendly words between your staff and customers will aid retention. Be creative with incentives and bonuses. It's not all about cash rewards; local retailers may be a source for funding incentives.

4. Manage the money - check the basics such as direct debit transactions and make sure you are capturing all your income. Manage costs as opposed to cutting them. Define your top ten KPIs and manage them rigorously. Make sure you are getting the best deal from all suppliers – insurance will be one of your highest costs – so shop around.

Remember this - the real assets have legs. Your customers and your staff will walk away when dissatisfied. Retention is the name of the game.

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